

QUARTERLY REPORT

RURAL HEALTH CARE NETWORK PILOT PROGRAM PROJECT

WC Docket No. 02-60

Submitted by
Health Information Exchange
of Montana, Inc. (HIEM)
310 Sunnyview Lane
Kalispell, Montana 59901

Project Coordinator:

Kipman Smith
Executive Director
Health Information Exchange of Montana, Inc.
c/o Northwest Healthcare
310 Sunnyview Lane
Kalispell, MT 59901
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Submitted April 29, 2009

For reporting period ending
March 31, 2009

APPENDIX D

Pilot Program Participants Quarterly Data Reports

1. Project Contact and Coordination Information
 - a. Identify the project leader and respective business affiliations
 - b. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible official.
 - c. Identify the organization that is legally and financially responsible for the conduct of the activities supported by the award.
 - d. Explain how the project is being coordinated throughout the state or region.

Project Contact and Coordinator:

Kipman Smith, Executive Director
Health Information Exchange of Montana
c/o Northwest Healthcare
310 Sunnyview Lane
Kalispell, MT 59901
406-751-6687
Fax: 406-756-2703
kipsmith@krmc.org

The Health Information Exchange of Montana, Inc. is legally and financially responsible for the conduct of the activities supported by the award.

This project is being coordinated throughout the state and region through collaborative partnerships and agreements with statewide partners who are facilitating complementary network projects. Additionally the Health Information Exchange of Montana maintains memberships within organizations across Montana seeking to further deploy health information technology and infrastructure, throughout the state, the region and across the country.

2. Identify all health care facilities included in the network.
 - a. Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network.
 - b. For each participating institution, indicate whether it is:
 - i. Public or non-public;
 - ii. Not-for-profit or for-profit;
 - iii. An eligible health care provider or ineligible health-care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.

St. John's Lutheran Hospital

(Non-public, not-for-profit, eligible health care provider)

350 Louisiana Ave.
Libby, MT 59923
406-293-0148
Lincoln County, Montana
RUCA: 7
Census Tract: 0002.00

St. Luke's Community Healthcare

(Non-public, not-for-profit, eligible health care provider)

107 6th Avenue Southwest
Ronan, MT 59864
406-676-4441
Lake County, Montana
RUCA: 10
Census Tract: 9405.00

Lincoln County Community Health Center

(Non-public, not-for-profit, eligible health care provider)

711 California Ave
Libby, MT 59923
406-293-3755
Lincoln County, Montana
RUCA: 7
Census Tract: 0002.00

Pondera Medical Center

(Non-public, not-for-profit, eligible health care provider)

805 Sunset Blvd
Conrad, MT 59425-0758
406-271-3211
Pondera County, Montana
RUCA: 7
Census Tract: 9770.00

Marias Medical Center

(Non-public, not-for-profit, eligible health care provider)

640 Park Avenue
Shelby, MT 59474
406-434-3200
Toole County, Montana
RUCA: 7
Census Tract: 0002.00

Northern Rockies Medical Center

(Non-public, not-for-profit, eligible health care provider)

802 2nd Street Southeast
Cutbank, MT 59427
406-873-2251
Glacier County, Montana
RUCA: 7
Census Tract: 9760.00

Glacier Community Health Center

(Non-public, not-for-profit, eligible health care provider)

519 E Main Street
Cutbank, MT 59427
406-873-2251
Glacier County, Montana
RUCA: 7
Census Tract: 9760.00

North Valley Hospital

(Non-public, for-profit, eligible health care provider)

1600 Hospital Way
Whitefish, MT 59937
406-863-3500
Flathead County, Montana
RUCA: 7.4
Census Tract: 0004.00

Kalispell Regional Medical Center

(Non-public, not-for-profit, eligible health care provider)

310 Sunnyview Lane
Kalispell, MT 59901
406-752-1724
Flathead County, Montana
RUCA: 4
Census Tract: 0009.00

Blackfeet Community Hospital

(Public, non-for-profit, eligible health care provider)

760 Government Square
Browning, Montana 59417
406-338-6157
Glacier County, Montana
RUCA: 7
Census Tract: 9402.00

Heart Butte Health Station

(Public, not-for-profit, eligible health care provider)

81 Disney Street
Heart Butte, Montana 59448
406-338-2151
Pondera County, Montana
RUCA: 10.6
Census Tract: 9403.00

3. Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with its vendors. This technical description should provide, where applicable:
 - a. Brief description of the backbone network of the dedicated health care network, e.g. MPLS network, carrier-provided VPN, a SONET ring;
 - b. Explanation of how health care provider sites will connect to or access the network, including the access technologies/services and transmission speeds;
 - c. Explanation of how and where the network will connect to a national backbone such as NLR or Internet2;
 - d. Number of miles of fiber construction, and whether the fiber is buried or aerial;
 - e. Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.

As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. (HIEM) has awarded their first RFP to construct approximately 180 miles of fiber backbone from Whitefish to Conrad, Montana. A Funding Commitment Letter was issued by USAC on February 12, 2009. Anticipated completion date for construction of this first section of fiber backbone is August 2009. Connection of eligible health care provider sites to this backbone will be accomplished through a separate RFP issued in the near future to construct "last mile" fiber links. A map reflecting the complete vision for the HIEM fiber optic network is attached (page 11).

4. List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.

As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. has no health care providers connected to the network and operational. Connection of eligible health care provider sites to the fiber backbone currently being constructed (see #3 above) will be accomplished through a separate RFP to construct "last mile" fiber links.

5. Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to date.

As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. has the following non-recurring or recurring costs to report for the applicable quarter and funding year to-date.

- a. Network design
 - b. Network Equipment, including engineering and installation
 - c. Infrastructure Deployment/Outside Plant
 - i. Engineering
 - ii. Construction: \$5,230,000 budgeted
 - d. Internet2, NLR, or Public Internet Connection
 - e. Leased Facilities or Tariffed Services
 - f. Other Non-Recurring and Recurring Costs
6. Describe how costs have been apportioned and the sources of the funds to pay them:
 - a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.
 - b. Describe the source of funds from:
 - i. Eligible and
 - ii. Ineligible Pilot Program network participants
 - c. Show contributions from all other sources (e.g. local, state, and federal sources, and other grants)
 - i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by the Pilot Program participants.
 - ii. Identify the respective amount and remaining time for such assistance.

As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. has no costs to report and has no financial support or anticipated revenues to report for the applicable quarter.

7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.

As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. has no technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network to report.

8. Provide an update on the project management plan, detailing:
 - a. The project's current leadership and management structure and any changes to the management structure since the last data report; and
 - b. In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables, scheduled for the previous quarter, were met and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation.
- a. As of close of reporting period ending March 31, 2009, the Health Information Exchange of Montana, Inc. has no changes in current leadership and management structure to report.
- b. A draft project plan and schedule for issuing RFPs to complete construction of the Health Information Exchange of Montana's fiber optic network is attached to this report (page 12).
9. Provide detail on whether network is or will become self-sustaining. Selected participants should provide an explanation of how network is self-sustaining.

As of close of reporting period ending September 30, 2008, the Health Information Exchange of Montana, Inc. provided the report below summarizing plans to address the long term sustainability of this network for the applicable quarter and funding year to-date. There is no update to this plan to report as of close of reporting period **March 31, 2009**.

In 2008, the ***Health Information Exchange of Montana (HIEM)***, of Kalispell, Montana was awarded \$13,600,000 by the FCC to implement a new fiber network, over three years to connect facilities in Browning, Conrad, Cut Bank, Libby, Ronan, Shelby and Whitefish.

In an area with no connections to Internet2 or National Lambda Rail, the FCC Rural Health Care Pilot Program will allow for deployment of a new network to connect facilities to enable distance medical consultation, electronic record keeping and exchange, disaster readiness, clinical research, and distance education services.

The new network will also serve as a natural connection point to Internet2 or National Lambda Rail. The **HIEM** is a not-for-profit collaborative group of healthcare providers in communities across northwest and north central Montana established to develop and share electronic health information and to improve patient care throughout a shared service area.

The project over the next three years will provide fiber connections from Kalispell to Browning, Conrad, Cut Bank, Libby, Ronan, Shelby and Whitefish, and across the state to support long-standing shared goals of developing health technology to ensure better access, affordability and care for rural Montanans.

Details of Proposed Plan for Sustainability

To define a HIEM plan for long-term sustainability of this network the HIEM Board of Directors has developed and approved a mechanism to charge healthcare and educational institutions for the use of HIEM-related services which are the result of the FCC-funded network. All organizations receiving services as a result of the HIEM-network, must meet all criteria set forward by the FCC for appropriate participants.

Additionally, each organization will be charged the same dollar amount they are being charged at present, for T1, 500 MG, and GigE services after those institutions replace these services by utilizing the HIEM network.

The HIEM Board of Directors recognizes that the additional bandwidth is a significant increase but determined that given the mission of the FCC program and the capacity of this network, this is a fair point to begin.

The HIEM Board of Directors has tasked itself to observe and revisit this rate structure after two years of operation to ensure that this structure provides no subsidies from HIEM and that the fiber project also allows for the accrual of a fund for equipment replacement and upgrades.

This Fiber Sustainability Plan was approved by the HIEM Board on Oct. 6, 2008 and was developed by the HIEM Finance Work Group.

HIEM FIBER SUSTAINABILITY PLAN							
			Year 1	Year 2	Year 3	Year 4	Year 5
Revenue							
	Conrad	1 T1	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600
	Shelby	1 T1	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600
	Browning	1 T1	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600
	Blackfeet Tribal College	2 T1	\$31,200	\$31,200	\$31,200	\$31,200	\$31,200
	Cutbank	1 T1	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600
	Libby	2 T1	\$3,600	\$7,200	\$7,200	\$7,200	\$7,200
	Ronan	1 T1&GigE			\$24,180	\$24,180	\$24,180
	Salish Kootenai Tribal College	1 T1			\$15,600	\$15,600	\$15,600
	Whitefish	500 Mg				\$23,760	\$23,760
	Flathead Valley Community College – Libby Campus	1 T1	\$10,800	\$21,600	\$21,600	\$21,600	\$21,600
	Total Revenue		\$84,000	\$98,400	\$138,180	\$161,940	\$161,940
Expense							
	Electronics Maintenance				\$70,000	\$70,000	\$70,000
	Glass Maintenance and Insurance		\$6,000	\$12,000	\$16,000	\$24,000	\$24,000
	24/7 Monitoring		\$12,000	\$12,000	\$16,000	\$24,000	\$24,000

	Alamon Consulting		\$18,000	\$12,000	\$12,000	\$6,000	\$6,000
	Legal Fees		\$24,000	\$12,000	\$12,000	\$12,000	\$12,000
	Upgrade and Replacement Fund for Optics and Electronics		\$24,000	\$50,400	\$12,180	\$25,940	\$25,940
	Total Expense		\$84,000	\$98,400	\$138,180	\$161,940	\$161,940
Net			\$0	\$0	\$0	\$0	\$0
	Equipment Replacement Fund Balance		\$24,000	\$74,400	\$62,580	\$88,520	\$114,460

10. Provide detail on how the supported network has advanced telemedicine benefits:
 - a. Explain how the supported network has achieved the goals and objectives outlined in selected participants' Pilot Program application;
 - b. Explain how the supported network has brought the benefits of innovative telehealth and, in particular telemedicine in services to those areas of the country where the need for those benefits is most acute;
 - c. Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;
 - d. Explain how the supported network has allowed health care providers access to government research institutions, and or academic, public, and private health care institutions that are repositories for medical expertise and information;
 - e. Explain how the supported network has allowed health care professionals to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and research and/or enhance the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.

As of close of reporting period ending **March 31, 2009**, the Health Information Exchange of Montana, Inc. has no detail yet to report on promotion of telehealth and telemedicine by this project throughout the service area for the applicable quarter and funding year to-date.

11. Provide detail on how the supported network has complied with HHS IT initiative:
 - a. Explain how the supported network has used Health IT systems and products that meet interoperability standards recognized by the HHS Secretary;
 - b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology;
 - c. Explain how the supported network has used resources available at HHS's Agency for HHIN trial implementations;
 - d. Explain how the supported network has used resources available at HHS's Agency for Healthcare Research and Quality (AHRQ) National Resource Center for Health Information Technology;
 - e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS

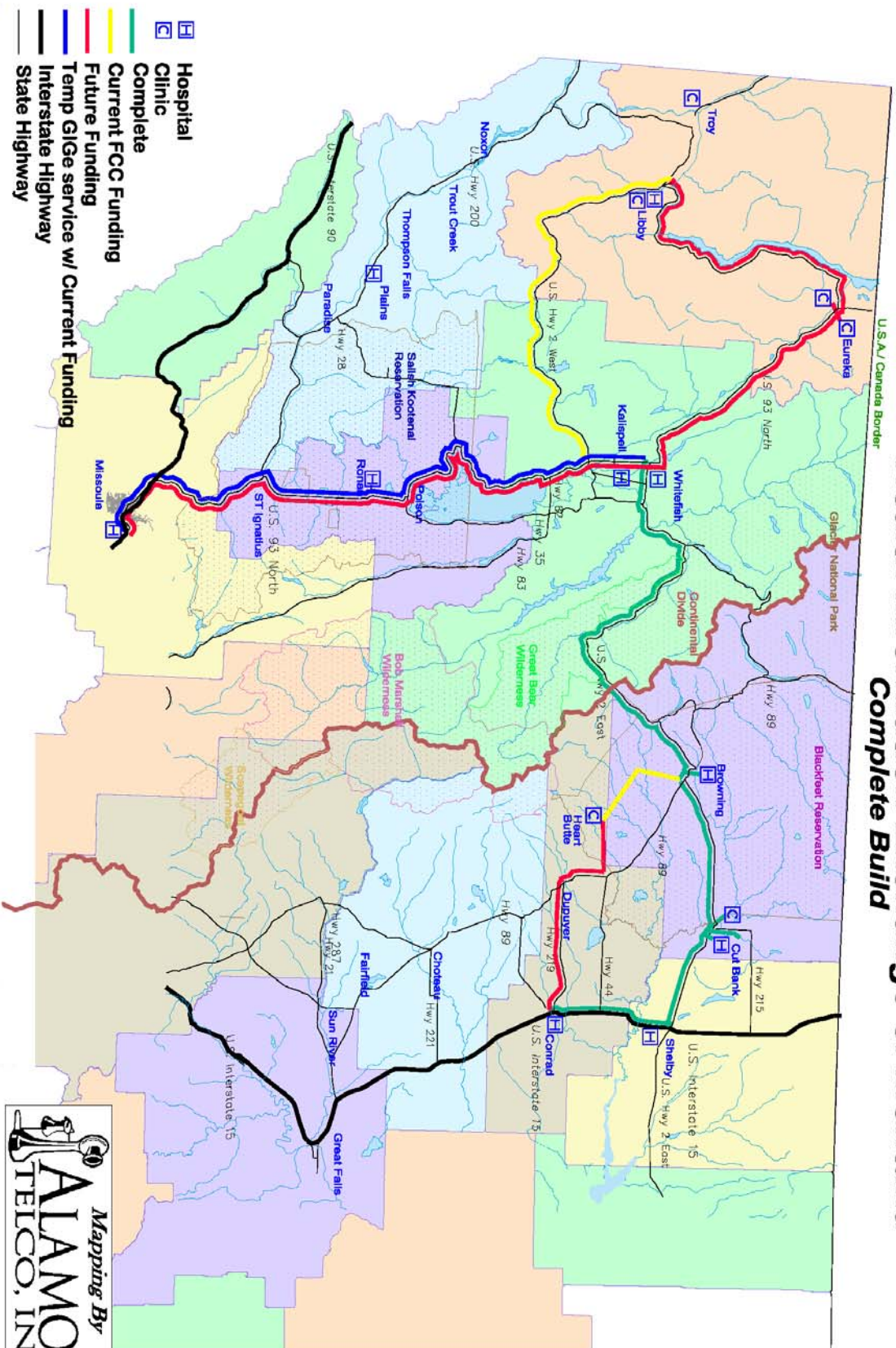
- Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and
- f. Explain how the supported network has used resources available through HHS's Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

As of close of reporting period ending **March 31, 2009**, the Health Information Exchange of Montana, Inc. has no detail to report regarding how the project has complied with HHS IT initiatives for the applicable quarter and funding year to-date.

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC and other public health officials.

As of close of reporting period ending **March 31, 2009**, the Health Information Exchange of Montana, Inc. has no detail to report on how this project has coordinated in the use of health care networks with Department of Health and Human Service, Centers for Disease Control and other public health officials for the applicable quarter and funding year to-date.

Health Information Exchange of Montana Complete Build



Health Information Exchange of Montana Broadband Build

FCC Award RFP's

REVISED 4/27/09

		(In thousands)	FCC 85%	Match 15%
2009		Total		
1	12 Pairs of Fiber - Whitefish to Conrad <i>Status: Awarded to BNSF November 2008</i>	5230	4446	784
2	Broadband Link - Libby to KRMC (Fiber) <i>Status: Proposals in Final Review</i>	4217	3584	633
3	Engineering Spurs to RFP #1 Facilities & Heart Butte Link <i>Status: Reviewing Proposals</i>	125	106	19
4	Electronics for RFPs #1 & #3 <i>Status: Hold RFP until award of #3</i>	495	421	74
5	Engineering KRMC to Ronan to St. Patrick; Whitefish to Eureka; Eureka to Libby; Libby to KRMC; and Conrad to Heart Butte; (as necessary) <i>Status: RFP in Development</i>	675	574	101
6	Fiber Build for RFP #3 (excluding Heart Butte) <i>Status: None</i>	600	510	90
7	Electronics Libby to KRMC <i>Status: None</i>	200	170	30
2010				
8	GigE connection Kalispell to Ronan to Missoula (3 year contract) <i>Status: None</i>	387	329	58
9	Broadband Link - Browning to Heart Butte (↓\$=Co-Build w/Blackfeet) <i>Status: None</i>	1000	850	150
10	Broadband Link - Libby to Kalispell (close loop) <i>Status: None</i>	1000	850	150
11	Close Eastside Loop - Conrad to Heart Butte; Broadband Link/Electronics <i>Status: None (↓\$=Co-Build)</i>	2091	1777	314
Funded Subtotal		16020	13617	2403

Future Funding Requests		Total	FCC 85%	Match 15%
12	Fiber/Electronics - KRMC to Ronan (↓\$=Co-Build)	6285	5342	943
13	Fiber/Electronics - Ronan to St. Pats (↓\$=Co-Build)	3902	3317	585
14	Close Westside Loop - Broadband Link/Electronics - Whitefish to Eureka to Libby (↓\$=Co-Build)	10718	9110	1608
Unfunded Subtotal		20922	17769	3136
TOTAL		36942	31386	5538